

Statement of Meg Whitman, President and CEO, eBay Inc.

**Before the Subcommittee on Commerce, Trade, and Consumer Protection
of the House Committee on Energy and Commerce on
Privacy in the Commercial World II
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Thank you Chairman Barton, Chairman Stearns and members of the Committee. I appreciate the chance to talk with you today about the pressing need for federal privacy legislation.

My name is Meg Whitman and I am the President and Chief Executive Officer of eBay Inc. eBay enables ecommerce on a local, national, and international basis with an array of websites – including the eBay Marketplaces, PayPal, Skype, Kijiji, Rent.com and Shopping.com – that bring together millions of buyers and sellers every day to trade on the world's online marketplace.

eBay's purpose -- pioneering new communities around the world built on commerce, sustained by trust, and inspired by opportunity -- relies heavily upon our commitment to protect our users' privacy. That is why we believe it is critical to safeguard our users' privacy in a variety of ways:

- eBay does not share, rent or sell personally identifiable information to third parties for marketing purposes, unless users expressly opt in.
- eBay's PayPal provides consumers a safe way to "shop without sharing" their financial information, thereby reducing the possibility of identity theft.
- eBay's toolbar helps consumers detect fraudulent websites, and
- eBay's website provides detailed information to our users about threats to their privacy and security.

In fact, eBay's commitment to privacy is so strong that consumers have recognized our efforts by naming us as one of the companies they most trust to protect their privacy.

Most importantly, we believe that these safeguards are just one component of a national privacy protection framework. With this in mind, eBay supports the effort to enact federal privacy legislation establishing consistent national standards.

Comprehensive and preemptive federal privacy legislation will promote and protect individual privacy and will help unify today's crazy-quilt of laws – some federal, some state; some applying to all businesses, some focused on particular business sectors, some general, some technology-specific. Consistency will help eBay businesses limit the growing costs of compliance, while providing uniform, meaningful, and understandable protections for consumers. With new technologies raising new privacy issues, it is time to lay the foundation for a long-term approach to privacy protection.

Permit me to suggest some principles to guide the drafting of thoughtful legislation in this area:

First, federal privacy legislation should create a strong unified national standard that would “occupy the field” and preempt state laws. Legislation without preemption would make the current situation worse, not better, by creating additional uncertainty and compliance burdens.

Second, in order to maintain trust and ensure the appropriate protections for consumers, federal standards must be enforced. We at eBay are committed to employing strong privacy practices for our consumers, and I know that many of my colleagues in the tech community feel the same. But something must be done to hold the bad actors accountable for failing to put the safety and security of their consumers before other interests. Strong enforcement by the Federal Trade Commission is critical. A private right of action would be counter-productive in this emerging area of the law marked by rapidly evolving technology, standards, and practices.

Third, any legislation must apply broadly, and not burden any single sector or technology. A law that discriminated against ecommerce when all companies are increasingly handling growing volumes of consumer information would be both unfair and ineffective in covering the broad challenges to consumer privacy. Treating consumer data differently depending on the type of business that collects it would likewise be problematic.

Fourth, federal privacy legislation should accord with the sound data protection rules adopted by our leading trading partners and allies, covering reasonable notice, consumer consent regarding use and disclosure of information, practical access to data, general security standards, and government enforcement authority. Businesses selling internationally to consumers around the world benefit from consistent trading rules, including consistent privacy protections.

Building on the guiding principles, industry, government, and consumers must work together to protect privacy. While we and other companies will continue to work to protect our users’ privacy, federal privacy legislation is the next logical step in a comprehensive approach to privacy protection.

Mr. Chairman, members of the Committee, thank you again for inviting me to testify today. I’d be happy to answer any questions.